

STAND. COM. REP. NO.

1232

Honolulu, Hawaii

MAR 18 2019

RE: H.B. No. 1561
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred H.B. No. 1561, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRIBUSINESS DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate or authorize funds for programs of the Department of Agriculture;
- (2) Require the Auditor to conduct a performance audit of the Agribusiness Development Corporation and authorize the Auditor to conduct a financial audit of the Corporation if sufficient funds are available; and
- (3) Require the Agribusiness Development Corporation to include certain information in its annual report to the Governor and Legislature and post the information on its website.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawai'i Center for Food Safety, Hawai'i Farm Bureau, Hawai'i Alliance for Progressive Action, and one individual. Your Committee received comments on this measure



from the Agribusiness Development Corporation and the Office of the Auditor.

Your Committee finds that this measure expresses programs or positions, maximum sums appropriated or authorized, or means of financing indicated for programs of the Agribusiness Development Corporation to be incorporated into the General Appropriations Act of 2019, or other appropriate legislative vehicle, or to be adopted separately. As such, your Committee requests that if your Committee on Ways and Means passes this measure that it consider incorporating the items in this measure into the appropriate legislative vehicle or amend this measure to include any provisions necessary to effectuate its purpose and intent.

Your Committee further finds that the Agribusiness Development Corporation coordinates and administers programs to assist agricultural enterprises with the transition from plantation operations to other agricultural enterprises. This task requires the Agribusiness Development Corporation to acquire agricultural lands, develop and restore critical infrastructure, including irrigation and water sourcing, and develop diversified agricultural facilities, among other responsibilities. As a public corporation, it is in the best interests of the State to audit and require the inclusion of certain information relating to the Corporation's lands and projects in its annual report for public transparency and oversight.

Your Committee has amended this measure by:

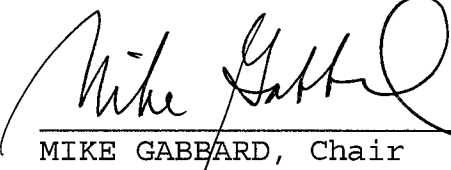
- (1) Inserting an appropriation of \$125,000 for fiscal year 2019-2020 for the Auditor to contract with an accounting firm to conduct an audit of the Agribusiness Development Corporation;
- (2) Reinserting the appropriation amounts from the original version of this measure;
- (3) Inserting an effective date of July 1, 2019; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee notes that there is some ambiguity as to the scope of the audit and requests that your Committee on Ways and Means consider the Auditor's testimony requesting the Legislature to identify specific programs or activities that the Auditor should examine in the course of the audit of the Agribusiness Development Corporation.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1561, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1561, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">HB1561, HD1</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">AEN, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">03.11.2019</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
RHOADS, Karl	X			
THIELEN, Laura H.	X			
FEVELLA, Kurt				X
TOTAL	4	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 2em; font-family: cursive; margin-top: 10px;"> </div>				
<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> Distribution: Original File with Committee Report </div> <div style="width: 20%;"> Yellow Clerk's Office </div> <div style="width: 20%;"> Pink Drafting Agency </div> <div style="width: 20%;"> Goldenrod Committee File Copy </div> </div>				

***Only one measure per Record of Votes**